

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CTME-00 JUSE-00 PA-01 SOE-02 AID-05
CEA-01 CIAE-00 COME-00 DODE-00 EB-08 DOE-15 H-01
INR-10 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-05
ICA-11 OES-07 SP-02 SS-15 STR-07 TRSE-00 ACDA-12
/129 W

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R 141801Z JUN 78
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 7149
INFO AMCONSUL EDINBURGH

C O N F I D E N T I A L LONDON 09434

E.O. 11652: GDS
TAGS: ENRG, UK, EINV
SUBJECT: SIXTH OIL LICENSING ROUND

REF: (A) LONDON 8927, (B) LONDON 7428

1. IN AN INFORMAL DISCUSSION JUNE 14 WITH UK DEPT. OF ENERGY DEPUTY SECRETARY JOHN LIVERMAN ON PROSPECTS FOR THE SIXTH OIL LICENSING ROUND, WE MENTIONED SOME OF THE US OIL COMPANY CONCERNS CITED IN REFTELS. LIVERMAN INDICATED HE WAS AWARE OF THESE SPECIFIC CONCERNS AND SAID HIS DEPARTMENT WAS AWARE THAT NOT ALL COMPANIES WOULD BE IN A POSITION TO PARTICIPATE UNDER THE TERMS LIKELY TO BE FINALIZED FOR THE ROUND. HOWEVER, HE FELT MANY COMPANIES WOULD COMPARE THE BRITISH TERMS WITH CONDITIONS IN OTHER COUNTRIES BEFORE DECIDING TO BYPASS THE SIXTH UK LICENSING ROUND. HE SAID THREE "AMERICAN MAJORS" HAD ALREADY SAID THEY WOULD BE INTERESTED IN THE SIXTH ROUND REGARDLESS OF CONDITIONS.

2. WE NOTED THAT SOME COMPANIES HAD ALSO EXPRESSED SOME MISGIVINGS ABOUT THE OVERALL FUTURE FOR PRIVATE OIL
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INVESTMENT IN THE UNITED KINGDOM. LIVERMAN SAID ENERGY SECRETARY BENN HAD OFTEN SAID THERE WOULD BE A CONTINUING ROLE FOR PRIVATE COMPANIES. HOWEVER, LIVERMAN SAID WITH SOME EMPHASIS THAT HE FELT THAT THIS AND ANY FUTURE LABOR GOVERNMENT WOULD OPT FOR AN EVER INCREASING STATE ROLE IN OIL.

3. LIVERMAN NOTED THAT BENN WAS MEETING WITH SENIOR OFFICIALS THE SAME AFTERNOON TO DISCUSS THE STATE OF PLAY ON THE SIXTH ROUND. LIVERMAN ESTIMATED THE TIMING OF SIXTH ROUND EVENTS AS FOLLOWS:

- THE DEPT. OF ENERGY WOULD CONCLUDE THE PROCESS OF RECEIVING COMMENTS AND FORMULATE ITS RECOMMENDATIONS TO MINISTERS BY THE END OF JUNE;
- AFTER MINISTERIAL DISCUSSION, THE FINAL TERMS OF THE ROUND PLUS THE BLOCKS TO BE OFFERED WOULD BE ANNOUNCED AT THE END OF JULY;
- THE CLOSING DATE FOR SUBMISSIONS WOULD BE EARLY OCTOBER.

BREWSTER

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Message Attributes

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Draft Date: 14 jun 1978
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